

**LOUISIANA TECHNICAL COLLEGE  
REGION 4 FOUNDATION**

Lafayette, Louisiana

Financial Report  
June 30, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/13/10

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Louisiana Technical College Region 4 Foundation  
Lafayette, Louisiana

We have audited the accompanying statement of financial position of Louisiana Technical College Region 4 Foundation (a nonprofit corporation) as of June 30, 2009, and the related statement of activities and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Technical College Region 4 Foundation as of June 30, 2009 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 5, 2009, on our consideration of the Louisiana Technical College Region 4 Foundation's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts, and grants.

***Darnall, Sikes, Gardes & Frederick***

A Corporation of Certified Public Accountants

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LOUISIANA TECHNICAL COLLEGE REGION 4 FOUNDATION

Statement of Financial Position  
June 30, 2009

ASSETS

CURRENT ASSETS

Cash	\$ 53,741
Pledges receivable	<u>1,097</u>
Total current assets	54,838
Total assets	<u>\$ 54,838</u>

NET ASSETS

NET ASSETS

Unrestricted	\$ 12,504
Temporarily restricted	42,333
Total net assets	<u>\$ 54,838</u>

See independent auditor's report and notes to financial statements.

LOUISIANA TECHNICAL COLLEGE REGION 4 FOUNDATION

Statement of Activities  
Year Ended June 30, 2009

	Unrestricted	Temporarily Restricted	Total
<b>UNRESTRICTED NET ASSETS</b>			
Revenues, Gains and Other Support			
Annual Fund donations	\$ -	\$ 19,716	\$ 19,716
A Taste of Success donations	17,901	-	17,901
Miscellaneous donations	1,079	-	1,079
In-kind contributions	<u>34,940</u>	<u>-</u>	<u>34,940</u>
Total support and revenue	<u>53,920</u>	19,716	73,635
Expenses:			
Support services -			
Management and general	11,778	22,074	33,852
Fund-raising	<u>42,054</u>	<u>-</u>	<u>42,054</u>
Total expenses	<u>53,832</u>	<u>22,074</u>	<u>75,907</u>
Excess of support and revenue over expenses	87	(2,359)	(2,271)
NET ASSETS, beginning	12,417	44,692	57,109
NET ASSETS, ending	<u>\$ 12,504</u>	<u>\$ 42,333</u>	<u>\$ 54,838</u>

See independent auditor's report and notes to financial statements.

LOUISIANA TECHNICAL COLLEGE REGION 4 FOUNDATION

Statements of Cash Flows  
Year Ended June 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ (2,271)
Adjustments to reconcile increase in net assets	
to cash provided by operations	
Increase in pledges receivable	<u>(1,097)</u>
Net increase in cash	(3,368)
CASH, beginning of year	57,109
CASH, end of year	<u>\$ 53,741</u>

See independent auditor's report and notes to financial statements.

## LOUISIANA TECHNICAL COLLEGE REGION 4 FOUNDATION

### Notes to Financial Statements

#### NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *"Financial Statements of Not-for-Profit Organizations."* Under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

##### Reporting Entity

Louisiana Technical College Region 4 Foundation is a non-profit corporation organized for the purpose and mission of engaging in educational, scientific, literary, benevolent, and charitable works in support exclusively for the campuses of Louisiana Technical College Region 4, which is a political subdivision and component unit of the State of Louisiana.

##### Nature of Activities

Louisiana Technical College Region 4 Foundation (Foundation) was organized to:

- Promote the educational and cultural welfare of Louisiana Technical College Region 4 and all departments thereof, and to develop, expand, and improve the Region's facilities so as to provide broader educational advantages and opportunities, encourage educational advancement and opportunities, and increase the Region's usefulness to the citizens of Louisiana and the United States of America,
- To solicit and accept funds of all kinds, including property, both real and personal, whether principal or income, tangible or intangible, vested or contingent, for the purposes that meet the goal of serving Region,
- To provide educational and financial aid and resources to the students, faculty, and staff and by providing relief for those students in need of financial resources in order to attend one of the campuses of Louisiana Technical College Region 4,
- To engage in fundraising activities, promotions, or any legal activity for the purpose of meeting the mission of serving the Region's administration in educating its students,

##### Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting.

## LOUISIANA TECHNICAL COLLEGE REGION 4 FOUNDATION

### Notes to Financial Statements

#### NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Foundation considers all highly liquid debt instruments purchased with an original maturity of six months or less to be cash equivalents. There were no cash equivalents at June 30, 2009.

##### Uses of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

##### In-Kind Contributions

In-kind contributions consist primarily of donated services (banquet services) and contributed specialized skills (accounting administration). Contributed services are recorded at the fair value of the services provided.

##### Net Assets

Net assets of the Foundation are reported as unrestricted (no donor restrictions) or temporarily restricted (based on the existence of donor restrictions).

#### NOTE 2 COMPENSATION OF BOARD OF DIRECTORS

Presently, Trustees do not receive any compensation for their services as Trustees of the Foundation. Directors and Trustees may be reimbursed for their expenses, if any, incurred in carrying out the purposes of the Foundation, provided that such reimbursement does not adversely affect the Foundation's qualification under Section 501(c)(3) of the Internal Revenue Code.



LOUISIANA TECHNICAL COLLEGE REGION 4 FOUNDATION

Notes to Financial Statements

NOTE 3 IN-KIND CONTRIBUTIONS

The Foundation recognizes revenue for certain services received at the fair value of those services. These services include professional services donated by accountants and donated services provided for the annual banquet. The fair value of the donated services is reflected in revenues and included in expenses in the following functional categories:

Management and general	\$ 4,340
Fund-raising	<u>30,600</u>
Total	<u>\$ 34,940</u>

## INTERNAL CONTROL AND COMPLIANCE



# Darnall, Sikes, Gardes Frederick

(A Corporation of Certified Public Accountants)

## Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Board of Trustees  
Louisiana Technical College Region 4 Foundation  
Lafayette, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Louisiana Technical College Region 4 Foundation as of and for the year ended June 30, 2009, which collectively comprise the Louisiana Technical College Region 4 Foundation's basic financial statements and have issued our report thereon dated August 5, 2009. We have conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Louisiana Technical College Region 4 Foundation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Louisiana Technical College Region 4 Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Louisiana Technical College Region 4 Foundation's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a deficiency, or combination of control deficiencies, that adversely affects Louisiana Technical College Region 4 Foundation's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Louisiana Technical College Region 4 Foundation's financial statements that is more than inconsequential will not be prevented or detected by Louisiana Technical College Region 4 Foundation's internal control. We considered the deficiency described in the accompanying schedule of findings and questioned costs, as item 09-1, to be a significant deficiency in internal control over financial reporting.

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A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Louisiana Technical College Region 4 Foundation's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is not a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Louisiana Technical College Region 4 Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Louisiana Technical College Region 4 Foundation's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Louisiana Technical College Region 4 Foundation's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the board of directors, management, others within the organization and is not intended to be and should not be used by anyone other than those specified parties. However, Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Dannall, Sikes, Gaudes & Frederick*

A Corporation of Certified Public Accountants

Lafayette, Louisiana  
August 5, 2009

LOUISIANA TECHNICAL COLLEGE REGION 4 FOUNDATION

Summary Schedule of Prior Year Findings  
Year Ended June 30, 2009

08-1 Finding: Inadequate Segregation of Accounting Functions

Status: This finding is unresolved. See current year finding 09-1.

LOUISIANA TECHNICAL COLLEGE REGION 4 FOUNDATION

Schedules of Findings and Questioned Costs  
Year Ended June 30, 2009

Part 1: Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report - Financial Statements

An unqualified opinion has been issued on Louisiana Technical College Region 4 Foundation's financial statements as of and for the year ended June 30, 2009.

Significant Deficiencies – Financial Reporting

One significant deficiency in internal control over financial reporting was disclosed during the audit of the financial statements and is shown as item 09-1 in Part II, and is not considered a material weakness.

Material Noncompliance - Financial Reporting

There were no instances of noncompliance material to the financial statements disclosed during the audit of the financial statements.

FEDERAL AWARDS

This section is not applicable for the fiscal year ended June 30, 2009.

Part 2: Findings Relating to an Audit in Accordance with *Government Auditing Standards*

09-1 Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees, Louisiana Technical College Region 4 Foundation did not have adequate segregation of functions within the accounting system.

Recommendation:

Based upon the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

LOUISIANA TECHNICAL COLLEGE REGION 4 FOUNDATION

Management's Corrective Action Plan for Current Year Findings  
Year Ended June 30, 2009

Response to Finding 09-1:

No response is considered necessary.